



**FINANCE & ADMINISTRATION SUB-COMMITTEE
MEETING MINUTES
Wednesday, June 17, 2015 - 7:30 AM
West Des Moines City Hall – 4200 Mills Civic Parkway
Training Room, 2nd Floor**

Present: Councilmember Russ Trimble, Councilmember Jim Sandager, City Manager Tom Hadden, Finance Director Tim Stiles, City Attorney Dick Scieszinski, Community & Economic Director Clyde Evans, Development Director Lynne Twedt, ITS Director Mark Lumsden, Assistant City Attorney Greta Truman, City Engineer Duane Wittstock, Principal Engineer Brian Hemesath, Sewer Engineer Jason Schlickbernd, Sign/Zoning Administrator Kevin Wilde, City Clerk Ryan Jacobson, City Communications Specialist Lucinda Stephenson, Budget Analyst Chris Hamlett, and Administrative Secretary Maureen Richmond

Guests: Mr. Marc Abels, Hidden Creek/Whisper Ridge-Coachlight Dr.
Mr. Bill Lowry, Hidden Creek/Whisper Ridge-Coachlight Dr.
Mr. John Hale, Hale Development/Coachlight Drive
Ms. Lisa Cowart, Hale Development/Coachlight Drive
Mr. Steven Venard, Bishop Engineering/Coachlight Dr.
Mr. Don Brown, Caldwell Banker Broker/ Coachlight Dr.
Mr. Joe Pietruszynski, Hubbell Realty/Stagecoach Dr.
Mr. Dan Cornelison, Hubbell Realty/Stagecoach Dr.

Meeting was called to order at 7:30 AM

1. Coachlight Drive/Rockwood Lane Proposed Special Assessment Schedule

On April 22, 2015, this item was discussed at the Finance and Administration meeting. Staff recommended a special assessment process to determine the financial responsibility and to ultimately facilitate the improvements to Rockwood Lane street construction. Rockwood Lane is not annexed by the City and is privately owned by Hickory Knolls, a rural subdivision to west. At the time of previous discussion, the developer on the south side of Rockwood Lane (the Sandahl family) was not interested in developing the property at this time and so was not interested in voluntarily participating in the paving Rockwood Lane.

Mr. Bill Lowry, representing the development of Whisper Ridge on the NW corner of 88th and Rockwood Lane has negotiated a purchase agreement between Hidden Creek, LLC (Hidden Creek) and Hale Development of 13 acres located north of Rockwood Lane (Coachlight) and west of S 88th Street. They have worked with staff to prepare a financial analysis of the proposed assessment process. Mr. Marc Abels, an attorney representing Mr. Lowry's interests, noted that the sale will close if the special assessment for construction of Coachlight is approved. He explained that at closing, Hidden Creek will pay approximately \$86,500 towards their portion of the proposed assessment. It was noted that they will also pay \$65,000 for the Sugar Creek Assessment Fee District. This payment does not directly apply to this deficiency assessment, the

financial impact is an immediate payment that would not otherwise be paid until Hidden Creek is development. Mr. Abels noted that this analysis does not include any payments by Sandahl Interest, which would further reduce the payback period in the future.

Mr. Wittstock presented a map and two draft options of preliminary assessment schedule for project costs breakdown of Coachlight Drive Street Improvements which includes the City share and non-City shares, with construction costs totaling approximately \$565,000.

It was asked how the City would pay for the project. Mr. Stiles stated that this project was as yet unbudgeted but it was likely that the City's share could come from a future sale of General Obligation Bonds and/or Road Use Tax Revenue.

The Councilmembers acknowledged the efforts of Mr. Lowry towards completing his responsibilities related to the project, and recommended that staff to move forward with the special assessment. The item will be placed on the City Council Agenda for full consideration at a future Council meeting.

2. Proposed Development Agreement related to Construction of Stagecoach Drive west of 88th Street

Mr. Wittstock presented financial analysis and an engineer's estimate regarding a possible City cost-sharing arrangement to complete Stagecoach Drive improvements west of S 88th Street. He provided background that Hubbell is interested in purchasing the Miller and CBL properties and developing the site as residential properties. He explained that the project previously was discussed with the City Council as a special assessment project, but it proved not to be economically viable at the time due to a large amount of excess fill dirt on the site.

Mr. Wittstock noted that by having Hubbell complete the entire project and move , the City could save up to \$700,000 in earth moving expense if portions of the excess dirt are used to assist in paving S 88th Street and also the project to widen of Grand Avenue near S 35th Street. Mr. Wittstock concluded by noting that the City's opinion of construction costs provided by Kirkham Michael noted approximately a \$1.2 million shortfall for the Stagecoach Drive project, beyond what could be recovered by assessment.

Mr. Pietruseynski presented an overview of the project. He noted that at full buildout, the value of the properties could be approximately \$78 million. The project will include a diversity of housing, which would provide \$500,000 in annual tax revenue to the City. He described that his company has discussed the grading for this project in detail with McAninch and shared that McAninch is committed to provide a bid for the project approximately \$300,000 less than the engineer's estimate. Hubbell is asking for the City to complete Stagecoach Drive in order to make the project financially viable. Mr. Pietruseynski explained that actions of Regency during the construction of Woodland Hills (Michael's Landing), specifically piling extreme amounts of worthless fill dirt on the site, make any development in this area extremely unprofitable. Hubbell believes that by combining the Miller and CBL properties, the project is at least attainable, as without combining the two, meshing the grading needed to provide a buildable site is nearly impossible.

Mr. Sandager noted that he sees this project as one of the last remaining pieces to clean up the financial mess left behind by Regency. Mr. Trimble agreed.

The Councilmembers recommended that the City move forward with Stagecoach Drive project as described in the presentation and analysis. The item will be placed on the City Council Agenda for full consideration at a future Council meeting.

3. Purchase of IDOT Surplus Property

Mr. Wittstock presented a letter from Iowa Department of Transportation (IDOT) to offer for sale surplus real estate in the vicinity of County Line Road and South 8th Street in Polk County. IDOT has established the fair market value for this real estate at \$30,000. Staff is recommending that the City to submit an Offer to Purchase for this parcel. The benefit would be having this parcel for future development and providing access to the abutting property which is already owned by the City.

The Councilmembers recommended submitting an Offer to Purchase in the amount of \$10,000 to \$15,000 for the parcel.

4. Vendor Selection – City Hall Audio Visual Equipment

Mr. Lumsden presented proposed action to contract with a vendor to complete an Audio Visual Equipment Upgrade in the Council Chambers. The project was budgeted up to \$180,000 in FY 15-16 for completion and staff recently completed a Request for Proposals process. The successful proposer, Conference Technologies, has included an estimated cost \$176,745.89 with their proposal. Two submittals were received 1) from Sight and Sound Innovations' at \$122,041.11 and 2) Conference Technologies at \$176,734.89. Staff believes that Sight and Sound Innovations' proposal substituted a lower quality system different from the specifications set forth in the RFP and was unacceptable. Conference Technologies submitted a proposal that met specifications set forth in the RFP.

Mr. Scieszinski noted that Conference Technologies was paid \$8,000 to contribute design specifications for the Request for Proposal (RFP). He commented that since Conference Technologies was involved in constructing the RFP document, there may be some conflict and the issue could use some additional research.

The Councilmembers recommended that Staff conduct further research and bring the item back at a future Finance Committee meeting.

5. Global Aviation Resources – Proposed Development Agreement and Pre-Application to Iowa Economic Development Association (IEDA)

Mr. Evans presented information on a proposed Development Agreement and pre-application to Iowa Economic Development Association (IEDA). Global Aviation Resources, a corporation currently based in the City, will be constructing a new \$3.2 million building at 7760 Cascade Avenue and plans to hire 25 new employees. This property is within the Mills Parkway Urban

Renewal Plan Subdistrict #5.

Mr. Mike Shojaat, the owner of Global Aviation Resources has filed a pre-application with IEDA in which he is seeking State assistance through tax credits and the High Quality Jobs Program. There will be a local match requirement equal to 20% of the state incentive. IEDA is still determining the amount of financial assistance they will offer, so the City doesn't know the required match as of yet. Mr. Evans is also recommending offering Global Aviation a five-year sliding scale tax rebate. The expected local match will be a combination of a forgivable loan, a no interest loan, and the sliding scale tax rebate. The funding would come from the Economic Development account.

The Councilmembers recommended that the City participate in the required local match for the Global Aviation Resources Proposed Development Agreement and pre-application to IEDA.

6. Changes to Westown V Urban Renewal Area

Mr. Evans and Mr. Stiles presented a map of Westown V Urban Renewal Area (URA) and a list of parcels on the Polk County side of this Urban Renewal area. The Dallas County parcels are generating tax increment while the Polk County parcels are valued below the "frozen base" year of 2009. This is due to changes in valuations of properties by the Polk County Assessor, recognizing economic factors over this time period.

Mr. Evans and Mr. Stiles explained that Hy-Vee intends to build an addition to their conference center and corporate headquarters located on Westown Parkway, in the Polk County side of the Westown V Urban Renewal Area. Hy-Vee expects to add 102 new jobs and have secured financial assistance from IEDA which requires a local match by the City. Because the valuation within the existing URA is negative, no incremental revenue can be generated. Mr. Stiles explained that staff has been working closely with legal and financial experts (Ahlers Law Firm and PFM) and are recommending amending the existing TIF ordinance to remove all the parcels from the Urban all of the other major parcels are significantly under their frozen base, they have no long-term value to the URA. This change will allow for increment generated by the Hy-Vee expansion (over and above its frozen base) to be captured and portions returned to Hy-Vee as rebates.

The Councilmembers supported amending the ordinance to redefine the Westown V Urban Renewal Area and recommended the item be placed on a future City Council meeting for consideration.

7. Temporary Use Permit Process

Mr. Jacobson and Mr. Wilde brought forward the Temporary Use Permit Process due to permits (Temporary Use and expanded Service Alcohol) obtained by a business (renting) Tres Amigos Mexican Restaurant, 304 5th Street during the weekend of Cinco de Mayo, a Valley Junction Foundation event. The business followed the Temporary Uses Permit Process which was approved administratively by staff and expanded alcohol license was approved by Council on April 20, 2015. The owner of the property had a concern since they were not made aware of the business' expanded weekend event. The property owner was concerned because of the activity on their property and suggested the City to change the process requiring authorization from the property owner in order

to have a special event on the property.

Mr. Jacobson brought two options forward 1) maintain status quo: Application process does not require authorization from the property owner 2) Revise the Temporary Use Permit application process so that the property owner must sign off on any application.

After discussion, the Councilmembers supported maintaining status quo but expressed appreciation for the opportunity to evaluate and discuss.

8. Updates to City-wide Schedule of Rates, Fees, and Charges

Mr. Stiles presented a draft City Schedule of Rates, Fees, and Charges beginning July 1, 2015. This city wide schedule of rates/fees were compiled last year and will be updated annually. This year's changes mainly include permit and development-related fees which are indexed, ambulance and EMS-related fees which have been vetted by the EMS Alliance Board, and a small number of other fees.

The Councilmembers supported the updated Schedule of Rates, Fees, and Charges to be effective July 1, 2015, and recommended placing the item on the June 29, 2015, Council Agenda for consideration and approval.

9. Issuance of Request for Proposals – Banking Services

Mr. Hadden and Mr. Stiles noted that staff is requesting to initiate an RFP proposal for banking services. Discussion revolved around existing relationships with West Bank and First National Bank. It was noted that several other local institutions have expressed interest in providing services. An exact scope of services has not yet been established.

The Councilmembers requested that staff discuss possibly details internally and bring the item back for consideration at a future meeting.

10. FY 16/17 Hotel/Motel Funding Process

Mr. Stiles presented a proposed FY 16/17 Budget Hotel/Motel Funding Proposed Process and Timeline. The Councilmembers were generally receptive to the process as outlined and it was noted that Mr. Sandager could have a conflict with February 2016 dates as identified.

It was suggested to continue the current process, but consider applicants presenting bi-annually if they had received funding in the previous year. If there is a new applicant, the applicant will be asked to make a presentation.

Mr. Stiles will bring this item to the next meeting for process review and a revised timeline to meet Councilmembers schedule.

11. Staff Updates

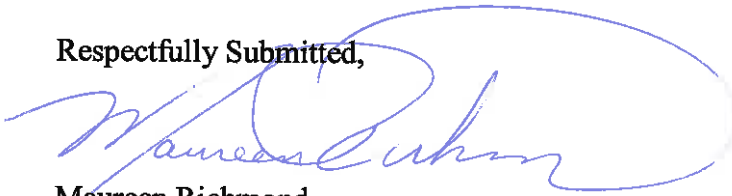
None

12. Other Matters

None

Meeting was adjourned at 9:19 AM.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Maureen Richmond", is written over a large, light blue oval shape.

Maureen Richmond
Administrative Secretary